

NATIONAL DEFENSE UNIVERSITY

NATIONAL WAR COLLEGE

A TALE OF TWO KOREAS: THE GEOSTRATEGIC CONTEXT

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COURSE 5604 THE GEOSTRATEGIC CONTEXT

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Introduction

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The high-stakes endgame of the last major confrontation of the Cold War is being played out daily in northeast Asia. Rapidly changing circumstances have forced both Koreas, China, Japan, and the U.S. to reassess their respective security postures and economic interests so as to maintain a sense of advantage in an ever-shifting environment. From the U.S. point of view, the desired end state is a stable, independent and prosperous Korea at peace with itself and with its neighbors. A peace treaty signifying the end of the 1950-53 Korean War would be an important first step to achieving such an outcome

No one has a crystal ball as to the Koreas' future, so the U.S.'s role is one of trying to "shape" the current environment in a direction that seems most likely to cushion the transition to a nonviolent reconciliation between the estranged states. At the same time, the United States seeks to reduce strategic uncertainty in the region and promote bilateral and multilateral cooperation on a wide range of issues. Global U.S. interests, such as promoting free trade, protecting the sea lines of communication (SLOCs), and controlling weapons of mass destruction (WMD) proliferation and transnational threats, are also high on the U.S. agenda in the Asia-Pacific region.

Political/Economic Context

Violent clashes over control of the Korean Peninsula in the 20th century have resulted in a peninsula divided between an increasingly prosperous and democratic Republic of Korea (ROK, or South Korea) and an increasingly destitute and totalitarian Democratic People's Republic of Korea (DPRK, or North Korea). The two states have long been poised to resume the fratricidal war which claimed well over three million lives half a century ago. The protracted stand-off has distorted the development of the separate states, requiring both to invest heavily in defense and choking the development of open market practices, e.g., trading with and investing in each other's economy. Similarly, the need to focus on deterrence has until recently preempted pluralistic dialogue aimed at determining the future of the Korean people, who number roughly 70 million, about two-thirds of whom live in the South.

Both Northerners and Southerners now speak of "reconciliation" rather than the earlier goal of "reunification" because neither is willing to accept the alarming costs of a near-term conjoining such as that which occurred between East and West Germany. South Korea appreciates that the current fragility of its both its economy, still recuperating from the 1997 Asian financial crisis, and its fledgling democracy, long burdened by fears of North Korean aggression, render it unable

to withstand the shock of a near-term absorption of the impoverished North. Therefore, Seoul prefers the idea of a gradual integration of the disparate states.

For its part, the leadership of economically moribund and politically trapped North Korea realizes that such a blending could hardly occur on the terms the state's founder, Kim Il Sung, envisaged, i.e., North Korea's triumph over the entire peninsula. Since Soviet aid to the DPRK dried up ten years ago, Pyongyang's calculated (but entirely unpredictable) coercive diplomacy has sought to leverage its military threats and food shortages against the outside world's desire to limit the DPRK's offensive capabilities, proliferation threat, and human suffering. Regional stability would also be served by encouraging the North to reform and gradually open its economy to stop its slide toward collapse.

As part of the legacy of the 1950-53 Korean Conflict in which U.S. forces lost some 33,000 lives, U.S. troops remain forward-deployed in South Korea and Japan. Both are important allies whose security the United States guarantees through bilateral treaties. At present, South Korea is the U.S.'s ninth largest trading partner, accounting for roughly USD 50 billion in annual bilateral trade. Therefore, the United States has a large stake in the ROK's national security as well as its economic and political development.

North Korea, on the other hand, is a “state of concern,” a mercurial Stalinist dynasty that poses a military threat to U.S. allies, proliferates weapons to other irresponsible regimes, traffics in illicit drugs, and systematically violates the human rights of its citizenry. North Korea also occupies a position on the U.S. list of state sponsors of terrorism.

When veteran opposition leader Kim Dae Jung became president of South Korea in February 1998, he enunciated three guiding principles of his “sunshine policy” designed to coax North Korea onto the path of reform and change: 1) No toleration of armed provocation of any kind; 2) No unification by absorption; and 3) Active promotion of inter-Korean reconciliation and cooperation, starting first with those areas of mutual interest on which both parties can most readily agree. Despite disagreeable surprises such as the August 1998 launch of the three-stage Taepodong missile over Japan, Kim Dae Jung appears to be deeply committed to pursuing the “sunshine policy.”

His North Korean counterpart, Kim Jong Il, has a far less certain vision of Korea’s future. In a lecture at NWC on 19 January 2001, guest speaker Selig Harrison represented current North Korean goals as normalization of diplomatic

relations with the United States and an end to the peninsular war through a peace settlement. He suggested that the DPRK leadership could subsequently reduce financial outlays on defense and become eligible for economic assistance from the international financial institutions (IFIs). Another observer referred to Kim Jong Il's game plan to achieve regime and state survival as "reform by stealth."

U.S. Interests in the Koreas

The United States has a broad set of interests in the region. It seeks to maintain a favorable balance of power and foster world order in this quadrant of the world. By reducing bilateral tensions between the Koreas and refocusing on multilateral security cooperation in the region, the United States seeks to prevent interstate conflict and the proliferation of WMD and its delivery systems. As East Asia has the fastest growing economies in the world, the United States seeks to keep SLOCs open and enhance global prosperity through bilateral trade with the regional economies as well as encouraging their economic development and adherence to WTO standards. Enhancing cooperation on law enforcement also serves U.S. global interests of combating transnational crime, such as narcotics trafficking, terrorism, and piracy at sea.

Threats and Challenges to U.S. Interests

North Korea's volatility: An impulsive decision or a change in leadership in Pyongyang could result in North Korea lashing out militarily against South Korea, Japan, or U.S. forces in either location. Ample military and diplomatic contingency plans exist to respond to such actions. Such hostilities could draw in other military forces, however, highlighting the importance of pre-crisis consultations and confidence-building measures among the militaries of South Korea, China, and the U.S. Such coordination would be necessary to address large-scale refugee movements, a breakdown in law and order, and the possibility of famine and pandemics.

South Korea's growing pains: The United States must keep close tabs on the internal dynamics of each of the regional states. Some South Koreans, for example, want to reconfigure the security relationship with the United States into a more equal partnership in which the ROK could decide to expand its own missile development and deployment capacity or even to contemplate producing nuclear weapons. Anti-American or xenophobic public attitudes can evolve quickly when the economy nosedives, people perceive themselves to be the victims of social injustice, or ugly incidents involving U.S. military personnel surface. The younger generation is much less understanding of the reasons for a

U.S. armed presence on the peninsula than their elders and are ill at ease with U.S. regional dominance which they perceive to be at their economic expense. Most importantly, there is no guarantee whatever that Kim Dae Jung's successors will have either his commitment to the "sunshine policy" or the necessary domestic political strength and international prestige to support its implementation.

China's uncertain intentions in the region: Though U.S. officials have praised China's assistance in recent U.S. interactions with North Korea, Beijing is wary both of U.S. intentions in Northeast Asia and of increasing Japanese-South Korean collaboration, whether military cooperation or concerted efforts to try to influence North Korean behavior through food aid. At the same time, the PRC wishes to continue its lucrative trading relationship with South Korea and, ultimately, would like to see the departure of U.S. troops from the Korean Peninsula. China, which has suffered from North Korean refugee inflows since the mid-1990s, would logically prefer a stable, non-threatening, self-sustaining North Korea. But what if Pyongyang were to invite Chinese troops into the North to quell social unrest? How would Seoul and Washington react?

Japan's paralysis: As Japan often seems keen to separate its commercial interests from regional security responsibilities, it has been incumbent on the United States

to include Japan in a confidence-building grouping to ease North Korea's transition and prepare for the future prospect of a strong united Korea as a regional competitor. Japan, which was South Korea's largest trading partner before the 1997 Asian economic downturn, has a crucial role to play in its neighbor's recovery. In the short term the most important contribution Japan can make to South Korea's economic resurgence is to strengthen its own financial system so that it can promote capital flows into South Korea.

Objectives of Current U.S. Policy

The 1998 U.S. Security Strategy for the East Asia-Pacific Region specifies that the long-run objective remains "a peaceful resolution of the Korean conflict with a non-nuclear, democratic, reconciled, and ultimately reunified Peninsula." Toward this end, the United States and the ROK maintain a strong deterrent posture based on the 1953 Mutual Defense Treaty, bilateral consultations, and combined military forces.

As with U.S. policy toward China, the ultimate objective is for Korea, however configured politically, to become a responsible participant in a rules-based international order. The hegemonic presence of the United States in the East Asia-Pacific region since the end of World War II has permitted those countries opting

for market economic activity, including the People's Republic of China (PRC), to pursue rapid economic growth, thus laying the groundwork for the sort of economic interdependence which make violent conflict less likely. Beijing is encouraging economic reform in the DPRK along the lines that has led to its own impressive economic boom. The United States should take advantage of whatever temporary congruence of objectives the United States and China share in Korea to support Chinese and other international efforts to open and reform North Korea's economy.

Economic success breeds stability and confidence, or what the ASEAN "tigers" refer to as their "resilience." The United States should therefore encourage restructuring and reform in both Koreas which would lend themselves to greater interaction with the U.S. market. South Korea needs continuing access to American markets to facilitate its economic recovery, though its dependency will decline over time as the South Korean economy increasingly integrates with those of its Asian neighbors. The ROK is expected to comply with the International Monetary Fund-imposed reforms that came with the bailout. Such changes will modernize and strengthen the South's economy, helping to prepare it for probable economic unification with the North, which may arrive very gradually, if Seoul has its wish, or may be thrust upon its neighbors unexpectedly if one of the more

disturbing scenarios unfolds.

In his recent study, Avoiding the Apocalypse: The Future of the Two Koreas (Washington, D.C.: Institute for International Economics, 2000), economist Marcus Noland noted the need to shift away from “emergency aid” to North Korea in favor of lifting sanctions in order for the DPRK to be eligible for Export-Import Bank trade loans and Overseas Private Investment Corporation (OPIC) guarantees. Other “carrots” to be dangled before Pyongyang could include textile and apparel import quotas to induce growth in what could be a promising export sector. U.S. and IFI officials as well as American business representatives should thus remain closely engaged with South Korean financial and economic decisionmakers to ensure that the groundwork is being laid with all due haste in order to provide increased flexibility when North Korea’s fortunes shift in one direction or the other.

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U.S. Strategy Toward the Koreas /Means of Influence and Instruments of Policy

The United States should continue to provide strong, well-coordinated military, diplomatic, and economic support to the efforts outlined above to assist the region in working through the dangerous maze of problems it faces in evolving toward a stable, but economically dynamic, post-war order.

The United States should begin by exploiting a common basis for dialogue and cooperation on regional security issues with all the neighboring states through all the bilateral and multilateral channels available. For example, building on the U.S.-DPRK talks which led to the 1994 Agreed Framework, the United States has supported the Four Party peace process, in which China, North Korea, South Korea, and the United States would meet regularly to find common ground upon which to advance toward a resolution of the state of war on the Korean Peninsula. At the same time the United States should take advantage of current areas of overlap in interests with the PRC, e.g., a desire to avoid war, avert North Korea's collapse, and prevent nuclear proliferation, to engage China on broader regional security cooperation. In addition, the U.S. should actively encourage the work of the Trilateral Coordination and Oversight Group (TCOG), recommended in Secretary Perry's Policy Review to keep Japan engaged, and should welcome fresh ideas from the Track II Council of Security Cooperation in the Asia-Pacific (CSCAP).

Moreover, the United States should provide leadership in broadening the concept of regional security itself to include economic and environmental issues as well as transnational threats. With U.S. encouragement, regional organizations should

band together to coordinate responses to unfair trade practices, environmental degradation, and organized criminal threats, including drug trafficking, terrorism, and piracy through the South China Sea.

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To sustain the strategy's success, U.S. leadership must maintain sufficient focus on the issues to ensure that U.S. policies have maximum coherency--and to spend the time and effort to reach a domestic political consensus on U.S. priorities in the region. For example, policymakers should explain more fully to doubting Congress members that Chinese cooperation on a minimally disruptive resolution of the North Korea question is absolutely essential to achieving overarching U.S. regional security goals. Linkages should be made more explicit, e.g., the successful realization of these goals is also likely to result in medium- and long-term improvements in human rights practices throughout the region, a high priority issue for many domestic constituencies. Thus, to harmonize U.S. use of various policy instruments requires consistent attention to policy coordination in Washington and extensive consultations with the regional players, both bilaterally and in multilateral forums.

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